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Criminal Procedure, 1898, a Sessions division should consist of a district or districts and not of a part of a district. Doubts have, therefore, been raised as to the validity of the constitution of the two Sessions divisions of East Tanjore and West Tanjore. This Bill is intended to remove such doubts and to validate the constitution of the said two Sessions divisions and the proceedings of the Courts of Sessions thereof.

20th November 1930. M. KRISHNAN NAIR.

APPENDIX X.

[*Vide* item XVIII—paragraph 2 of papers laid on the table of the House at page 275 supra.]

G.O. No. 1965, Development, 25th October 1930.

READ—the following papers :—

I

Letter from Rao Bahadur A. RANGASWAMI AYYAR, B.A., Assistant Director of Commercial Audit, to the Secretary to Government, Development Department, dated Madras, the 24th and 25th July 1930, No. 33/45.

I have the honour to submit herewith the audit report and accounts of the Russellkonda Saw Mills (in liquidation) for the year ending 31st March 1930.

2. A copy of the report and accounts has been sent to the Chief Conservator of Forests, Madras, with the request that he should forward his remarks thereon to you direct.

3. Copies of this report and accounts have also been forwarded to the Finance Department, Accountant-General, Madras, the Director of Commercial Audit, Conservator of Forests, I Circle, and District Forest Officer, Ganjam, for information.

ENCLOSURE.

Russellkonda Saw Mills (In liquidation) Report on the accounts of the Saw Mills for the year 1929–30.

[Russellkonda Saw Mills (In liquidation) Audit Report on the accounts for the year ending 31st March 1930.]

As stated in paragraph (1) of the last audit report, the accounts of the mills in liquidation have not been maintained in commercial form, but the receipts and charges are shown under a separate heading in the departmental accounts of the District Forest Officer, Ganjam, submitted monthly to the Accountant-General. There is no objection to the continuance of the existing procedure as most of the assets have been already disposed of. As the

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original cash book of the saw mill for the year 1929-30 is said to have been burnt when the quarters of the Extra Assistant Conservator at Russellkonda took fire, the accounts submitted herewith have been based on the cash sheets (copies of cash book) rendered by the subordinates concerned to the District Forest Officer and on the cash book maintained in the District Forest Officer's office, and the figures have been reconciled with those appearing in the departmental accounts submitted to the Accountant-General.

2. The following accounts for the period 1929-30 are attached herewith :—

(i) Statement of affairs as at 31st March 1930.

(ii) Realization account for 1929-30.

(iii) Receipts and payments account for 1929-30.

(iv) Schedule 'A' giving details of sundry debtors.

(v) Schedule 'B' showing the reconciliation of receipts and charges appearing in the Accountant-General's books with those in the receipts and payments account.

(vi) Schedule 'C' showing the reconciliation of the balance in the personal ledger account with that in the Accountant-General's books.

3. The Realization account may be taken up first. With the exception of the major portion of machinery and machine spare parts and certain items of general stores, all the assets have practically been disposed of and some of the machinery spare parts and general stores have been transferred from Russellkonda to Berhampur for disposal in auction. The Accountant-General has withdrawn during the year under review the depreciation reserve of Rs. 15,000 deposited with Government as well as a sum of Rs. 1,26,984-11-0 from the personal ledger account and credited the same to Government under "Recoveries of investments in Government commercial undertakings." Messrs. Parry & Co., have objected to the refund of the extra commission of Rupees 1,475-2-10 and this is dealt with in paragraph 8 (*d*) below.

4. The assets disposed of comprise buildings and furniture, tools and stationery and part of machinery and general stores. The buildings and most of the furniture were transferred to the Public Works Department at the book valuation in accordance with the orders of Government, but, there was a loss of Rs. 8,895-9-11 in the disposal of the other items, and adding to this Rs. 297-3-11 value of articles written off and Rs. 108-6-4 value of stationery and stores used up at the mills during the liquidation, the total loss on realization amounts to Rs. 9,301-4-2. There was a profit of Rupees 86-15-1 on the sale of assets to which should be added sundry miscellaneous receipts aggregating to Rs. 713-4-4, consisting mainly of the sale-proceeds of assets not shown in the accounts of the last year. The net deficit on realization during the year is therefore Rs. 8,501-0-9. The net loss to end of 1929-30 after taking into account the expenses incurred in the winding up of the concern is Rs. 2,915-5-6 as per details below, which is carried forward in the Statements of Affairs :—

	RS.	A.	P.
Deficit during the year as above	8,501	0	9
Add winding up expenses during 1929-30	1,340	15	0
	9,841	15	9
Deduct net surplus on 31st March 1929	6,926	10	3
Net loss to end of 1929-30	2,915	5	6

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5. The more important items of assets disposed of during the year and the gains or losses thereon are reviewed below :—

(*a*) *Buildings.*—In G.O. Mis. No. 1158, dated 9th July 1929, Government ordered that all the mill buildings should be transferred to the Public Works Department at their *book value* subject to the condition that the machinery should be permitted to be kept in the buildings till it is finally disposed of. The book value was, at the instance of the Executive Engineer, Ganjam Agency division, debited to the Public Works Department in the accounts for March 1930 although buildings valued at Rs. 65,793-6-0 have not yet been taken over (on the date of audit in June 1930). In November 1929 the Executive Engineer asked the District Forest Officer whether these buildings were required by the Forest department and stated that they would be taken over on hearing from the heads of other departments. The balance of Rs. 9 under this head represents the amount accepted short by the Executive Engineer and the matter is under correspondence with him.

(*b*) *Machinery and loose tools.*—As stated in paragraph 4 (i) of the last report, two hand cranes and one Emerson pump and all the loose tools were under the orders of the Chief Conservator transferred to the Forest Engineer, Olavakkot, at a loss of Rs. 6,854–10–2 (Rs. 6,388–15–7 plus Rs. 465–10–7).

(*c*) *Furniture.*—Most of the furniture was, with reference to the orders of Government in G.O. No. 1158, dated 9th July 1929, transferred to the Public Works Department at *book value*. The loss occurred mainly under the following articles sold in auction or transferred to other officers :—

Name of article.	Book value			Amount realized.			Loss.			Remarks.
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	
Type-writing machine.	316	4	0	40	0	0	276	4	0	Sold in auction.
Copying press.	42	10	1	10	12	0	31	14	1	
Teapoy ..	24	12	1	8	0	0	16	12	1	Transferred to Public Works Department.
Lantern ..	28	3	3	7	8	0	20	11	3	Transferred to Central Stores, Olavakkot.

The concurrence of the Superintendent of Stationery was obtained to the sale of the type-writing machine for Rs. 40.

(*d*) *Tools and general stores.*—The loss under this head is partly due to most of the articles having been transferred to Central stores, Olavakkot, at nearly half their book value under the orders of the Chief Conservator of Forests and partly to the low prices realized for the following articles sold in auction :—

Name of article.	Book value.			Amount realized.			Loss.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Salva graphited jointing sheets	245	10	3	6	4	0	239	6	3
Firebricks, etc.	96	8	10	11	0	0	85	8	10
Ferer hand-pump ..	50	0	0	4	4	0	45	12	0

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(e) *Stationery.*—Forms, etc., bearing the printed headings of Messrs. Parry & Co., and valued at Rs. 290-8-0, were destroyed with the approval of the Conservator and stationery valued at Rs. 117-6-5 and sold in auction fetched only Rs. 36-7-0 resulting in a loss of Rs. 80-15-5.

6. The receipts and payments account may be considered next.

Charges.—A recurring charge of Rs. 82-8-0 is incurred every month towards the pay of one fitter and two watchmen employed to look after the machinery, etc., with the sanction of the Chief Conservator.

Miscellaneous receipts.—Several articles not borne on the accounts were disposed of during the year and the amount realized has been taken to miscellaneous receipts. The existence of large number of surplus articles seems to indicate defective stock-taking either when taking over the assets from Messrs. Parry & Co., or after the close of the year 1928-29.

Other items do not call for any special remarks.

7. *Statement of affairs.*—The Madras Government capital has been reduced by Rs. 15,000 withdrawn from the Depreciation Reserve deposited with Government and by Rs. 1,26,984-11-0, withdrawn from the Personal Ledger account by the Accountant-General, which have been credited to the head "Recoveries of investments in commercial undertakings" in the Government accounts. The cost of tell-tale clock referred to in paragraph 7 of the last report having been subsequently paid back to the concern has been treated as addition to capital.

The amount of Rs. 222, shown under suspense on the liabilities side, represents the value of articles not included under assets but found surplus and sent to Central stores, Olavakkot. Their estimated value as per bill sent for acceptance has been credited to this head pending realization.

8. The following items on the assets side call for remarks :—

(a) *Machinery.*—The book value of machinery still awaiting disposal amounts to Rs. 1,41,579-3-3. In G.O. No. 1158, dated 9th July 1929, Government ordered that the entire machinery should be transferred to some Engineering firm or machinery broker on a commission basis instead of selling the various machinery as separate units and asked the Chief Conservator to take steps accordingly and to submit any offers received for the orders of Government. From a copy of the telegram, dated 8th January 1930, and letter No. 583/28 C-3, dated 23rd May 1930, of the Chief Conservator it would appear that one item of the machinery, e.g., the boiler and chimney whose depreciated book value is Rs. 42,286-6-6 was sold to a gentleman in Calcutta for Rs. 4,000, subject to inspection and approval. The amount has not yet been received. It is presumed that the offer was accepted after calling for tenders by public advertisement and in that case, it seems more correct to treat the advertisement charges as part of the liquidation expenses of the mills. As the mills have been closed from 1st July 1928, it seems desirable to take special steps for the complete disposal of the machinery and other remaining assets as soon as possible.

(b) *Furniture.*—The balance represents the book value of one hurricane lantern and six fire buckets (Rs. 27-0-4) retained for use at the mill and of three teapoys (Rs. 63-15-1) stated to have been handed over to the Public Works Department but for which bill has yet to be sent for acceptance.

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(c) *Machinery spare parts and general stores.*—An attempt was made to sell some of these articles in auction at Russellkonda but the bid amounts having been very low, articles valued at Rs. 1,241-2-7 have been transferred to Berhampur depot with the expectation of realizing better prices.

(d) *Sundry debtors.*—Details of outstandings are given in schedule 'A'. The old items have all been adjusted or recovered except Rs. 1,475-2-10, due from Messrs. Parry & Co., who have protested against the payment stating that the net profit on which commission is payable should not include interest on capital. The question is under the separate consideration of Government.

(e) *Personal Ledger account.*—The balance has been arrived at as follows :—

	RS.	A.	P.	RS.	A.	P.
Balance on 31st March 1929.	..			1 31,034	0	1
Add Remittances as per Receipts and Payments account	1,23,782	15	5			
„ Value of tell-tale clock recouped—Accountant-General's No. F.-1, Comml.-119, dated 1st July 1929	67	10	0			
„ Amount due from sundry debtors adjusted as per Accountant-General's No. nil, dated 12th June 1929	101	15	0			
Refund of general forest revenue adjusted in the accounts for 1928-29 as refunds of saw mill receipts now rectified	10	11	6			
				1,23,963	3	11
Deduct Withdrawals as per Receipts and Payments account	1,547	2	9			
Amount withdrawn by Accountant-General as per No. F.-1, Comml.-155, dated 17th July 1929, being sale-proceeds of support logs due to District Forest Officer, Ganjam	3,539	4	8			
Amount withdrawn by Accountant-General as per his No. F.-1, Comml.-155, dated 17th July 1929, by credit to recoveries of investments	1,26,984	11	0			
				1,32,071	2	5
Total ..				1,22,926	1	7

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9. *Cash position.*—The cash position on 31st March 1930 is as follows :—

	RS.	A.	P.
Personal ledger balance	1,22,926	1	7
Sundry debtors considered good (excluding the sum of Rs. 1,475-2-10 due from Messrs. Parry & Co. under dispute)	3,596	1	1
Total ..	1,26,522	2	8

A sum of Rs. 1,21,000 may be withdrawn and credited to "Recoveries of investments in Government commercial undertakings" leaving the balance for meeting liquidation expenses.

10. Subject to the foregoing remarks, I certify that I have obtained all the information I have required and that the Statement of Affairs of the Russellkonda Saw Mills (in liquidation) as at 31st March 1930 signed by me as relative hereto represents a true and correct state of affairs according to the best of my information and explanation given me.

A. RANGASWAMI AYYAR,
Assistant Director of Commercial Audit.

Madras, 18th July 1930.

Sub-enclosures

RUSSELLKONDA SAW MILLS (IN LIQUIDATION).

(1)

Statement of affairs as at 31st March 1930.

CAPITAL AND LIABILITIES.	RS.	A.	P.	RS.	A.	P.
Capital—Madras Government—						
Forest Department—						
Balance as on 30th June 1928 ..	4,18,335	3	10			
Less capital withdrawn and credited to recoveries of investments in Government commercial undertakings Accountant-General's No. F.-1-Comml. 155, dated 17th July 1929 ..	1,26,984	11	0			
Less depreciation reserve deposited with Government withdrawn and credited to recoveries of investments in Government commercial undertakings Accountant-General's No. F.-1-Comml. 159, dated 17th July 1929 ..	15,000	0	0			
	1,41,984	11	0			
				2,76,350	8	10
Add value of tell-tale clock purchased in November 1927, adjusted in Accountant-General's No. F.-1-Comml. 119, dated 1st July 1929	..			67	10	0
				2,76,418	2	10
Suspense account—						
Amount kept under suspense, being value of surplus articles not included under assets sold but value not yet realized ..	..			222	0	0

PROPERTY AND ASSETS.	RS.	A.	P.	RS.	A.	P.
Buildings—						
As per statement of affairs as at 31st March 1929	1,15,762	13	2			
Value of buildings disposed of during 1929–30	1,15,753	13	2	9	0	0
Machinery—						
As per last statement of affairs ..	1,49,802	11	2			
Value of machinery disposed of during 1929–30	8,223	7	11	1,41,579	3	3
Furniture—						
As per last statement of affairs ..	4,130	15	9			
Disposed of during 1929–30	4,040	0	4	90	15	5
Loose tools—						
As per last statement of affairs ..	1,122	10	7			
Disposed of during 1929–30	1,122	10	7	..		
Machinery spare parts—						
As per last statement of affairs ..	..			1,161	8	5
Tools and General Stores—						
As per last statement of affairs ..	5,870	1	8			
Disposed of during 1929–30	2,983	4	11	2,886	12	9
Stationery—						
As per last statement of affairs ..	426	6	4			
Disposed of during 1929–30	426	6	4	..		
Sundry debtors—						
As per last statement of affairs ..	4,489	15	7			

	RS. A. P.	RS. A. P.
Sundry creditors—		
As per last statement of affairs ..	3,539 4 8	
Less adjusted	3,539 4 8	
		..

	RS. A. P.	RS. A. P.	RS. A. P.
Add dues for assets sold during the year as per Schedule 'A'		3,727 11 5	
		8,217 11 0	
Less recoveries and adjustments during 1929-30	3,014 12 9		
Less excess recoveries refundable	181 10 4		
		3,146 7 1	
			5,071 3 11
Depreciation reserve deposited with Government—			
As per last statement of affairs ..		15,000 0 0	
Less amount adjusted by credit to recoveries of investments in Government commercial undertakings		15,000 0 0	
			..
Personal Ledger account ..		..	1,22,926 1 7
Loss on realization to be carried forward to the next account—			
Winding up, etc., expenses as per last statement of affairs (Liabilities side)		9,802 3 8	
Add winding up expenses during 1929-30		1,340 15 0	
		11,143 2 8	

Statement of affairs as at 31st March 1930—*cont.*

	RS. A. P.		RS. A. P.	RS. A. P.	RS. A. P.
Brought forward		Brought forward			2,73,724 13 4
		Surplus on the sale of assets as per last statement of affairs	16,728 13 11		
		Deduct net deficit on realization during the year.	8,501 0 9		
		Surplus on the sale of assets to end of 31st March 1930		8,227 13 2	
		Net loss on the realization of assets including winding up expenses, to end of 31st March 1930			2,915 5 6
Grand total	2,76,640 2 10	Grand total			2,76,640 2 10

Examined and found correct subject to my report of even date.

Madras,
18th *July* 1930.

A. RANGASWAMI AYYAR,
Assistant Director of Commercial Audit.

(2)

Realization Account for the year 1929-30.

Serial number and description of assets. (1)	Opening balance as per statement of affairs as on 1st April 1929. (2)	Book transfer and cash realization. B. Book transfer C. Cash realization. (3)	Sundry debtors amount recoverable for articles sold. (4)	Value of articles used up in mills. (5)	Value of articles written off. (6)
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Buildings	1,15,762 13 2	1,15,753 13 2 (b)	..	..	..
2. Machinery	1,49,802 11 2	213 12 4 (b) 190 12 0 (c)	1,430 0 0	..	..
3. Furniture	4,130 15 9	3,629 11 7 (b) 51 12 0 (c)	7 8 0	..	6 11 11
4. Loose tools	1,122 10 7	..	657 0 0	..	..
5. Tools and general stores	5,870 1 8	31 9 2 (b) 149 13 0 (c)	1,204 15 8	68 2 8	..
6. Machinery spare parts	1,161 8 5	..	..	..	..
7. Stationery	426 6 4	36 7 0 (c)	..	18 7 11	290 8 0 (f)
8. Sundry debtors	4,489 15 7	2,891 2 0 (c)	..	21 11 9 (d)	..
9. Depreciation reserve deposited with Government ..	15,000 0 0	..	..	..	..
	2,97,767 2 8	1,22,948 12 3	3,299 7 8	108 6 4	297 3 11
Add miscellaneous receipts on account of sale of items not appearing in the Statement of Affairs as at 31st March 1929.	..	702 8 10	..	..	..
Add amount erroneously treated in 1928-29 accounts as refund of saw mill receipts now rectified.	..	..	..	..	..
Total ..	2,97,767 2 8	1,23,651 5 1	3,299 7 8	108 6 4	297 3 11

(*a*) Value of stock at Berhampur depot.
(*b*) Value of stock at Russellkonda saw mill site.
(*c*) Value of stationery debited to the account of District Forest Officer, Ganjam, in the accounts for 1928-29 now treated as having been used in District Forest Officer's office in connexion with the work of saw mills with reference to the sanction accorded in Conservator's No. R.O.C. 1315-A-29, dated 1st February 1930.
(*d*) Refused.
(*f*) Destroyed.

Realization Account for the year 1929-30—*cont.*

Serial number and description of assets.	Loss or profit on realization Loss + profit —. (7)	Adjustment by credit to Personal ledger account. (8)	Adjustment by credit to recoveries of investments in commercial undertakings. (9)	Total of columns 4 to 10. (10)	Balance on 31st March 1930. (11)
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Buildings	..	..	..	1,15,753 13 2	9 0 0
2. Machinery	+ 6,388 15 7	..	..	8,223 7 11	1,41,579 3 3
3. Furniture	+ 346 4 7 — 1 15 9	..	..	4,040 0 4	91 15 5
4. Loose tools	+ 465 10 7	..	..	1,122 10 7	..
5. Tools and general stores	+ 1,613 11 9 — 84 15 4	..	..	2,983 4 11	748 0 8 (a) 2,138 12 1 (b)
6. Machinery spare parts	..	..	..	..	493 1 11 (a) 668 6 6 (b)
7. Stationery	+ 80 15 5	..	..	426 6 4	..
8. Sundry debtors	..	101 15 0	..	3,014 12 9	1,475 2 10
9. Depreciation reserve deposited with Government ..	..	..	15,000 0 0	15,000 0 0	..
	+ 8,895 9 11 — 86 15 1	101 15 0	15,000 0 0	1,50,564 8 0	1,47,202 10 8
Add miscellaneous receipts on account of sale of items not appearing in the Statement of Affairs as at 31st March 1929.	— 702 8 10	..	..	..	..
Add amount erroneously treated in 1928-29 accounts as refund of saw mill receipts now rectified.	— 10 11 6	10 11 6	..	..	..
Total ..	+ 8,895 9 11 — 800 3 5	112 10 6	15,000 0 0	1,50,564 8 0	1,47,202 10 8

	RS. A. P.	RS. A. P.
Loss on realization —		
Loss on disposal of assets		8,895 9 11
Value of articles used up in the mills		108 6 4
Value of articles written off		297 3 11
		9,301 4 2
Profit on realization —		
Profit on assets disposed of	86 15 1	
Miscellaneous receipts	702 8 10	
Amount erroneously treated in 1928-29 accounts as refund of saw mill receipts now rectified.	10 11 6	800 3 5
Deficit carried to Statement of Affairs		8,501 0 9

(3)

Receipts and payments account for the year ending 31st March 1930.

	RS. A. P.	RS. A. P.	RS. A. P.
To withdrawal from personal ledger account		..	1,547 2 9
,, sales and disposals of assets—			
Buildings		1,15,753 13 2	
Machinery		404 8 4	
Furniture		3,681 7 7	
Stationery		36 7 0	
Book debts ..	2,925 2 0		
Less charges of this year recovered ..	34 0 0		
		2,891 2 0	
Store stock		181 6 2	1,22,948 12 3
,, sales of items not appearing in the statement of affairs and other receipts—			
Rent of buildings		21 0 0	
Miscellaneous receipts	696 10 10		
Less refunds of amount credited to receipts in 1928–29 ..	15 2 0		
		681 8 10	702 8 10
,, Amounts recovered in excess and therefore refundable		..	131 10 4
		Grand total ..	1,25,330 2 2

	RS. A. P.	RS. A. P.
By payment to the credit of personal ledger account	..	1,23,782 15 5
,, Payments in connexion with winding up—		
Wages of fitter	750 0 0	
Wages of watchmen	328 2 0	
Postage	15 0 0	
Rates and taxes	146 0 0	
Miscellaneous expenses	101 13 0	
		1,340 15 0
,, Sundry debtors—		
Charges for carting, packing, etc., for despatch of stores to Olavakkot recoverable from Forest Exploitation Division, Olavakkot	240 3 9	
Less amount recovered during the same year per contra ..	34 0 0	
		206 3 9
Grand total ..		1,25, 330 2 2

(4)

Schedule 'A' of sundry debtors on 31st March 1930.

	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Old items—									
(1) Messrs. Parry and Company							1,475	2	10
New items—									
(2) Forest Exploitation Division, Olavakkot—									
(*a*) Machinery				1,430	0	0			
(*b*) Loose tools				657	0	0			
(*c*) Furniture				7	8	0			
(*d*) Tools and general stores				1,204	15	8			
				3,299	7	8			
(*e*) Charges met from the personal ledger account for packing, despatching, etc., of stores to Olavakkot.	206	3	9						
(*f*) Value of surplus articles not included under assets sent to Olavakkot ..	222	0	0						
				428	3	9			
				3,727	11	5			
(*g*) *Deduct* excess charges recovered—									
(i) Railway freight incurred in 1928–29 but recovered twice from Forest Exploitation Office, Olavakkot ...	46	3	0						
(ii) Value of Ratchet brace and stocks and dies charged in excess of the value fixed by the Chief Conservator of Forests and adjusted in accounts (Rupees 198–7–4 *minus* Rs. 113) ..	85	7	4						
				131	10	4			
							3,596	1	1
							5,071	3	11

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(5)

Schedule 'B' showing the reconciliation of receipts and charges appearing in the Accountant-General's books with those in the receipts and payments account.

	RS.	A.	P.	RS.	A.	P.
(*a*) Receipts—						
As per Accountant-General's books ..				1,23,832	1	5
Deduct amounts eliminated both from receipts and charges				49	2	0
Receipts as per commercial accounts ..				1,23,782	15	5
(*b*) Charges—						
As per Accountant-General's books ..				1,943	13	9
Deduct amount included in the commercial accounts for 1928–29	491	15	0			
Deduct amount eliminated both from receipts and charges	49	2	0			
				541	1	0
				1,402	12	9
Add amount wrongly adjusted in Government accounts of 1928–29 now written back by the Accountant-General ..	140	12	0			
Add recovery of excess payments taken in commercial accounts of last year but included in the Government accounts of 1929–30 ..	3	10	0			
				144	6	0
Charges as per commercial accounts ..				1,547	2	9

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(6)

Schedule 'C'—Reconciliation of the balance in the Personal Ledger account with the figure as per Accountant-General's books.

	RS.	A.	P.	RS.	A.	P.
As per Accountant-General's account for March 1930 ..	..			3,960	7	6
Add receipts in March 1930 adjusted in the treasury accounts for April 1930 ..	..			1,19,903	12	4
				1,23,864	3	10
Deduct expenditure in March 1930 adjusted in the treasury accounts for April 1936 ..	244	10	0			
Deduct amounts taken into commercial accounts for 1928–29 but adjusted in the treasury accounts for May 1930 ..	517	12	3			
As per Accountant-General's No. F. Ganjam 7, dated 5th May 1930, on Ganjam District Forest Officer's No. 1422/29-A-1, dated 18th April 1930 ..	140	12	0			
				903	2	3
				1,22,961	1	7
Deduct Rs. 35 included twice under receipts in the treasury accounts once in April 1929 and again on intimation from the Accountant-General (Rs. 90–5–0 receipts in May 1929 advised by Accountant-General for adjustment includes this Rs. 35)	..			35	0	0
Figure as per commercial accounts ..	..			1,22,926	1	7

II

Memorandum No. 2044-I/30-1, Development, dated 2nd September 1930.

[*Reference.*—Letter from the Assistant Director of Commercial Audit, No. 33/451, dated 24th/25th July 1930—Russellkonda Saw Mill—Audit Report for the year ending 31st March 1930.]

The Chief Conservator is requested to report when his remarks on the audit report may be expected.

(By order)

M. C. B. KOMAN,
Under Secretary to Government.

To the Chief Conservator of Forests.

27th January 1931]

III

Letter from R. D. Richmond, Esq., I.F.S., Chief Conservator of Forests, to the Secretary to Government, Development Department, dated Madras, the 17th September 1930, Ref. No. 6831/30-C-3.

[*Reference.*—Government Memorandum No. 2044–I/30, dated 2nd September 1930—Audit Report—Russellkonda Saw Mill—1929-30.]

The remarks on the Audit Report will be submitted by the 25th September 1930.

IV

Letter from R. D. Richmond, Esq., I.F.S., Chief Conservator of Forests, to the Secretary to Government, Development Department, dated Madras, the 30th September 1930, Ref. No. 6831/30-C-3.

[Audit Report—Russellkonda Saw Mill—1929-30.]

The following remarks are offered on the Audit Report.

2. *Paragraph* 1 *of the Audit Report.*—In G.O. Ms. No. 813, dated 10th April 1930, Government ordered that, in modification of the original orders in G.O. No. 7, Development, dated 3rd January 1930, commercial accounts and audit of the Saw Mill should be continued until the accounts are finally closed. As a result of discussion with the Assistant Director of Commercial Audit, the maintenance of a simplified form of liquidation accounts has been agreed upon. According to this arrangement, the transactions do not pass through the Personal Ledger account, but are shown in the ordinary accounts of the District Forest Officer, Ganjam, under the distinct heading "Russellkonda Saw Mill," and two subsidiary registers, one showing the assets in hand and remaining to be disposed of, and the other the Liquidation Sales Day Book are being maintained.

The report of the fire referred to by the Assistant Director of Commercial Audit, was submitted to Government with this office Ref. No. 3492/B-3/30-2, dated 20th May 1930, recorded in G.O. Ms. No. 1404, dated 14th; July 1930.

3. *Paragraph* 3 *of the Audit Report—The Realization Account.*—As regards the extra commission of Rs. 1,475-2-10 paid to the Mill Manager, reference is solicited to G.O. Ms. No. 1523, Development, dated 11th August 1930 in which the papers were recorded.

4. *Paragraph* 5 (*a*) *of the Audit Report—Buildings.*—The building not yet taken over by the Public Works Department is that in which the machinery is installed and the retention of the machinery in the building until the final disposal of the former is in accordance with the condition of transfer laid down in G.O. No. 1158, Development, dated 11th July 1929. In view of the

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subsequent proposal to sell the mill together with the building, the consent of the Public Works Department to the retention of the building has been obtained, subject to the refund of the book value paid by them. The attention of Government is in this connexion invited to paragraph 1 of this office letter Ref. No. 583/28, dated 15th July 1930.

The difference of Rs. 9 referred to by the Assistant Director of Commercial Audit is due to the Executive Engineer, Ganjam Agency Division, adopting the value of Rs. 49,534-5-11 instead of Rs. 49,543-5-11 furnished to him in the bill, owing presumably to a clerical error. A bill for the adjustment of this amount has been sent to the Executive Engineer for adjustment.

5. *Paragraph* 5 (*c*) *of the Audit Report—Furniture.*—The Assistant Director of Commercial Audit has referred to a loss of Rs. 16-12-1 on account of the transfer of a teapoy. There were five teapoys in all, and all these were transferred to the Public Works Department. Bills for four of these valued at Rs. 88-11-2 have been sent to the Executive Engineer, Ganjam. The teapoy transferred at Rs. 8 (which amount has been adjusted) is the *extra* one which was not included in the accounts, and the sale amount should have been taken as "Miscellaneous receipts". There will then be no loss.

The book value of Rs. 24-12-1 for this teapoy (extra one) adopted by the Assistant Director of Commercial Audit has been arrived at as shown below:—

	RS.	A.	P.
Book value of four teapoys shown in the account ..	88	11	2
Book value of three teapoys as shown in paragraph 8 (*b*) of the Audit Report	63	15	1
Book value of the *4th teapoy*	24	12	1

This book value of the *4th teapoy* has been taken as the book value of the extra teapoy which is a separate item not included in the accounts. The actual book value of the extra teapoy has been called for from the District Forest Officer, Ganjam, and the balance due from the Public Works Department, if any, will be recovered.

6. *Paragraph* 6 *of the Audit Report—Miscellaneous receipts.*—A report has been called for from the District Forest Officer, Ganjam, and a further report will be submitted after receipt of his reply.

7. *Paragraph* 8 (*a*) *of the Audit Report—Assets—Machinery.*—Mr. Patrick Fleury's offer of Rs. 4,000 for the boiler and chimney was accepted by Government in G.O. Ms. No. 57, dated 8th

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January 1930. He has not yet paid the amount, pending acceptance of his offer for the Lathe Drilling Machine and Saw Bench reported to Government in this office letter No. 583/28, dated 15th March 1930.

No tenders were called for by public advertisement, but the engineering firms and second hand machinery dealers in Calcutta and elsewhere were addressed and the offers received were placed before Government from time to time, as directed in paragraph 3 of G.O. Ms. No. 1158, dated 9th July 1929. No advertisement charges were therefore incurred.

The Government are aware of the steps that have been taken for the disposal of the machinery—vide correspondence ending with Government Memorandum No. 621–I/30–1, dated 3rd September 1930. Mr. K. J. Singh has been requested to state definitely whether he can furnish other names or any other security and his reply is awaited.

8. *Paragraph* 8 (*b*) *of the Audit Report—Furniture.*—As explained in paragraph 5 above, a bill has been sent to the Public Works Department, for the value of the four teapoys transferred to them—(Rs. 88–11–2). The District Forest Officer, Ganjam, has been directed to report if the bill has since been accepted.

9. *Paragraph* 8 (*d*) *of the Audit Report—Sundry Debtors.*—As explained in paragraph 3 above, Government have since recorded the papers relating to the question of recovery of Rs. 1,475–2–10 from Messrs. Parry and Company—vide G.O. No. 1523, dated 11th August 1930.

As regards new items, the District Forest Officer, Ganjam, has already sent a bill for Rs. 3,596–1–1 to the Forest Engineer for acceptance. When this bill is adjusted, the outstandings specified in Schedule 'A' to the Audit Report, will have been creared.

10. *Paragraph* 9 *of the Audit Report—Cash position.*—The amount of Rs. 1,21,000 referred to has since been withdrawn by the Accountant-General, Madras, and credited to "VIII. Forest Receipts—Recoveries of Investments in Government Commercial Undertakings."

Order—No. 1965, Development, dated 25th October 1930.

Recorded.

2. *Paragraph* 6 *of the Audit Report and paragraph* 6 *of the Chief Conservator's remarks.*—The further report promised by the Chief Conservator of Forests is awaited.

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3. *Paragraph* 8 (*d*) *of the Audit Report.*—The Government have since decided to drop the matter in G.O. No. 1523, Development, dated 17th August 1930.

(By order of the Governor in Council)

S. V. RAMAMURTI,
Secretary to Government.

To the Chief Conservator of Forests.
,, Accountant-General (through Finance Department).
,, Finance Department.
,, Assistant Director of Commercial Audit with copy of G.O. No. 1523, Development, dated 11th August 1930.
,, Secretary to the Government of India, Department of Education, Health and Lands, with (C.L.).
,, Director of Commercial Audit with (C.L.).
,, Secretary, Legislative Council Office, for placing on the table.

APPENDIX XI.

(Vide item XVIII- -para. 3 of papers laid on the table of the House at page 275 supra.)

G.O. No. 737, Finance, dated 20th November 1930.

The Public Accounts Committee and the Standing Finance Committee of the Legislative Council for the year 1930–31 will be constituted as follows:—

A. PUBLIC ACCOUNTS COMMITTEE.

Nominated by His Excellency the Governor.

(1) The Hon'ble the Finance Member (*Chairman*).
(2) R. Foulkes, Esq., M.L.C.
(3) M.R.Ry. S. N. Dorai Raja Avargal, M.L.C.

Elected by the Non-official Members of the Council.

(4) Basheer Ahmed Sayeed Sahib Bahadur, M.L.C.
(5) F. E. James, Esq., M.L.C.
(6) M.R.Ry. R. Madanagopal Nayudu Garu, M.L.C.
(7) ,, D. V. Narasimhaswami Garu, M.L.C.
(8) ,, V. P. Narayanan Nambiyar Avargal, M.L.C.
(9) ,, P. V. Rajagopala Pillai Avargal, M.L.C.
(10) ,, M. S. Sreshta Avargal, M.L.C.

B. STANDING FINANCE COMMITTEE.

Nominated by His Excellency the Governor.

(1) The Hon'ble the Finance Member (*Chairman*).
(2) F. Birley, Esq., M.L.C.
(3) M.R.Ry. N. Siva Raj Avargal, M.L.C.